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TAGS: ECON ETRD TH

SUBJECT: THAIS APPROVE JAPAN FTA, BUT NGO'S SHOW THEIR CLOUT

¶1. Summary: The RTG approved an FTA with Japan this week, but not before anti-trade NGOs demonstrated their clout with a public and media that is receptive to their anti-globalization positions. Although the NGOs greatly exaggerated the potential effects of a couple minor provisions in the agreement, the RTG felt obligated to mollify their concerns by (unsuccessfully) trying to reopen negotiations with the Japanese. Although the RTG took perhaps too passive a stance with the NGOs, in the end national interest took precedence over populist posturing. End Summary.

¶2. On March 27, the Thai cabinet gave its approval for the long-awaited Free Trade Agreement (FTA) with Japan, known locally as the Japan-Thailand Economic Partnership Agreement (JTEPA). PM Surayud plans to sign the agreement on April 3 during a private trip to Japan. The JTEPA was originally scheduled to be approved and signed in April the previous year, but was delayed after former PM Thaksin dissolved his government and called for new elections early in 2006.

NGOs show their strength

¶3. Contacts at the Ministry of Foreign Affairs, which led the Japan negotiations for the RTG, said the cabinet had agreed in early February in principle to sign the Agreement, but held off after protests. NGOs led by anti-trade NGO FTA Watch and Greenpeace slammed the JTEPA, claiming provisions would allow Japan to export toxic waste to Thailand and enable Japanese to patent Thai microorganisms. RTG observers agreed that the NGO case was weak: JTEPA provisions in dispute eliminate a one-percent tariff on one category of toxic waste that is already imported from Japan, and reduce another less-used category from five percent to zero over three years. The IPR text stated only that patent applications could not be rejected solely because they incorporated microorganisms, but included no obligation to approve the applications.

¶4. Despite the weakness of the NGO case, the RTG took the criticisms seriously and took steps to address the concerns. MFA officials said the RTG had always planned to follow a transparent process for the approval, organizing public hearings and seeking approval from the National Legislative Assembly before making a final decision. However, the RTG was sufficiently concerned by the NGO criticism that negotiators flew to Tokyo in an attempt to renegotiate the controversial provisions, telling the Japanese that the agreement was in danger of rejection if they did not accept changes that would mollify their critics. Perplexed, the Japanese declined to reopen negotiations, citing that their government had already completed its approval process and could not (or would not) restart the process. However, they did agree to an exchange of diplomatic notes that would clarify the benign intentions of both sides in reference to the provisions.

¶ 15. NGOs had little trouble finding a receptive audience for their claims that the JTEPA would be an environmental disaster. After years of a steady drumbeat of anti-FTA protests, the Thai public has swung toward anti-globalization sentiment and is deeply skeptical of trade agreements. A sympathetic media reports NGO claims extensively and uncritically, and makes little effort to report opposing viewpoints. Dr. Somkiat Tangkitvanich, research director at the well-respected Thailand Development Research Institute, led a three-month review of the JTEPA and found little of concern. Yet despite submitting to a number of press interviews, said he found none willing to print his responses to the NGO claims.

¶ 16. Comment: As an un-elected government, the current administration recognizes it lacks a certain legitimacy, and took pains with the JTEPA to show its willingness to operate in a transparent fashion and consider civil society views. They took perhaps too passive a role in the controversy, declining to challenge the NGO position directly and giving credence to their exaggerated claims. To their credit (though they may receive none from civil society), in the end the government rejected a nationalist and populist approach and put the nation's economic interest squarely in front. End Comment.

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